

STATE OF INDIANA



INDIANA UTILITY REGULATORY COMMISSION
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FILED

JAN 11 2008

INDIANA UTILITY
REGULATORY COMMISSION
CAUSE NO. 42144

IN THE MATTER OF THE INVESTIGATION)
ON THE COMMISSION'S OWN MOTION,)
UNDER INDIANA CODE § 8-1-2-72, INTO ANY)
AND ALL MATTERS RELATING TO THE)
COMMISSION'S MIRRORING POLICY)
ARTICULATED IN CAUSE NO. 40785 AND THE)
EFFECT OF THE FCC'S MAG ORDER ON)
SUCH POLICY, ACCESS CHARGE REFORM,)
UNIVERSAL SERVICE REFORM, AND HIGH)
COST OR UNIVERSAL SERVICE FUNDING)
MECHANISMS RELATIVE TO TELEPHONE)
AND TELECOMMUNICATIONS SERVICES)
WITHIN THE STATE OF INDIANA)

You are hereby notified that on this date the Indiana Utility Regulatory Commission ("Commission") caused the following entry to be made:

On January 7, 2008, the Indiana Universal Service Fund Oversight Committee ("Oversight Committee") filed a *Report to the Commission* ("Report") in this matter. In its Report, the Oversight Committee identified specific issues regarding the implementation of the Indiana Universal Service Fund ("IUSF") that it believed should be reviewed and addressed by the Commission.

In its Report, the Oversight Committee indicated that the December 2007 remittances from the IUSF did not provide sufficient funds to meet the monthly disbursements to recipient carriers pursuant to revised Attachment B submitted by the Settling Parties on July 6, 2007. Therefore, the fund administrator, Solix, Inc., ("Solix") determined that each recipient carrier would receive 75% of their disbursement until sufficient funds were available to make up the difference. Based upon a review by the Rural Local Exchange Carriers' representative on the Oversight Committee, the distributions to some carriers appeared to be only 69% of the average monthly amount as opposed to the 75% intended.

According to the Report, the Oversight Committee, in contemplation of the formation of the IUSF, anticipated that the November 2007 disbursement would be missed and believed that the fund administrator should distribute the equivalent of 13 monthly payments over 12 months to make up for the missed November 2007 disbursement (13/12 or 108%). However, the Oversight Committee indicates that it appears that Solix may be inappropriately paying 92% (12/13) of the monthly payment. The Oversight Committee indicated that in an effort to address

this issue, and provide certainty regarding the correct monthly distribution, it created a revised Attachment B, which is attached to the Report and includes specific monthly disbursements for each recipient carrier.

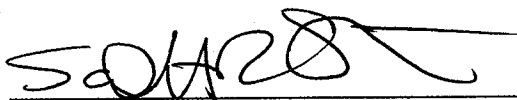
In its Report, the Oversight Committee requests that the Commission review the revised Attachment B and provide guidance as to the most effective means to communicate to Solix the correct method for distributing IUSF payments during the first year of the fund administration. Additionally, the Oversight Committee requests that the Commission direct Solix to undertake an analysis of the cause of the remittance shortfall and its expectations for future remittances.

The Presiding Officer has reviewed the Report and revised Attachment B, it appears that while the Oversight Committee may have intended for the administrator to distribute the missed November payment over 12 months, this objective was not documented in the document filed with the Commission on July 6, 2007, and resulted in confusion on this issue.

The revised Attachment B submitted with the Report clarifies this issue and is hereby approved by the Presiding Officer as a replacement for the July 6, 2007 version of Attachment B. Solix should use the disbursement amounts in Column N of this document for the monthly disbursement to recipient carriers from January 2008 to October 2008. Additionally, during this period, Solix shall distribute additional funds as necessary to make up for the December 2007 shortfall discussed in the Report.

Within thin the next thirty (30) days, Solix shall undertake an analysis of the cause of the remittance shortfall in December 2007 and its expectations for future remittances. Following the completion of the analysis, if the Oversight Committee concludes that additional information should be filed with the Commission in this Cause to memorialize the approach that will be taken on this issue, it may do so at its discretion.

IT IS SO ORDERED.



Scott R. Storms, Chief Administrative Law Judge

Date: 1/11/08